

## Message Text

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PAGE 01 STATE 041042  
ORIGIN COME-00

INFO OCT-01 EA-12 ISO-00 EB-08 /021 R

DRAFTED BY COM/ BIEPR/OTP/IND/NGLICK/ALAFAVE:KG  
APPROVED BY EB/OCA/CD:REDAY  
COM/BIEPR/OTP/IND/CJOHNSON  
STATE/EA/EP/DSTEBBING  
EA/J/HCOCHRAN (INFO)

-----045382 170512Z /23

R 161542Z PEB 78  
FM SECSTATE WASHDC  
TO AMEMBASSY TOKYO

UNCLAS STATE 041042

E.O. 11652: N/A

TAGS: BEXP, JA

SUBJECT:TRADE FACILITATION COMMITTEE-GENERAL DATA COMM  
INDUSTRIES, INC.

1. SUMMARY: USDOC FORWARDING NEW CASE FOR TFC CONSIDERA-  
TION CONCERNING PROPOSED ACTION BY NTT WHICH MAY SEVERELY  
RESTRICT IMPORTS OF MODEMS. END SUMMARY

2. DONALD LEHRMAN, VICE-PRESIDENT (INTERNATIONAL), GENERAL  
DATA COMM INDUSTRIES, INC. WROTE USDOC ABOUT A PROPOSED  
CHANGE IN NTT'S PRICING OF LEASED PRIVATE TELEPHONE LINES  
AND ASSOCIATED MODEM EQUIPMENT THAT MAY RESTRICT OR  
ELIMINATE IMPORTS OF MODEMS. (THIS LETTER AND USDOC REPLY  
FORWARDED EMBASSY BY AIRPOUCH) A DATA MODEM IS USED FOR  
CONNECTING BUSINESS MACHINES TO TELEPHONE LINES SO THAT  
THEY CAN COMMUNICATE WITH REMOTE COMPUTERS OR OTHER BUSI-  
NESS TERMINALS.

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3. ACCORDING TO LEHRMAN, CURRENT NTT SCHEDULE OF TARIFFS  
(MONTHLY CHARGE) PROVIDES FOR ONE CHARGE FOR LEASING A  
PRIVATE LINE TO WHICH THE USER COULD CONNECT HIS OWN DATA  
MODEMS, AND A SIGNIFICANTLY HIGHER CHARGE WHEN THE TELE-  
PHONE COMPANY IS ASKED TO PROVIDE THE ASSOCIATED DATA

MODEMS. NTT REPORTEDLY PROPOSES CHARGING VIRTUALLY THE SAME RATE WHETHER OR NOT NTT PROVIDES MODEMS, ESSENTIALLY ELIMINATING USER'S INCENTIVE TO PURCHASE MODEMS IN THE PRIVATE MARKET. LEHRMAN BELIEVES THAT NTT PURCHASES ALL ITS NEEDS FROM DOMESTIC MANUFACTURERS, AND, CONSEQUENTLY, PROPOSED NTT ACTION WOULD ELIMINATE JAPANESE IMPORTS OF MODEMS FROM THE U.S.

4. BASED ON NTT'S PAST PRACTICE OF SOURCING PRIMARILY FROM DOMESTIC SUPPLIERS, WE EXPECT THE MODEMS SUPPLIED BY NTT UNDER THE NEW RATE STRUCTURE WOULD BE DOMESTICALLY PRODUCED. CONSEQUENTLY, WE BELIEVE THAT THIS ACTION WOULD REPRESENT A NEW IMPEDIMENT TO THE MARKETING OF A U.S. PRODUCT.

5. LEHRMAN ESTIMATES JAPANESE MARKET FOR MODEMS IS DOLS 80-90 MILLION PER YEAR AND GROWING. JAPAN IMPORTED ESTIMATED DOL FIVE MILLION WORTH OF MODEMS IN 1977.

6. ACTION REQUESTED: REQUEST EMBASSY CORROBORATE DATA COMM INFORMATION ON PROPOSED NTT ACTION (INCLUDING, IF POSSIBLE, MOTIVATION BEHIND ACTION). IF THE FACTS OF DATA COMM'S COMPLAINT CAN BE VERIFIED, WE REQUEST THIS CASE BE RAISED IN THE TFC. VANCE

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NNN

\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* UNCLASSIFIED

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
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**Disposition Case Number:** n/a  
**Disposition Comment:**  
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**Disposition History:** n/a  
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**Subject:** TRADE FACILITATION COMMITTEE-GENERAL DATA COMM INDUSTRIES, INC.  
**TAGS:** BEXP, JA  
**To:** TOKYO  
**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
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